STAND. COM. REP. NO. 912

Honolulu, Hawaii FEB 28 , 2019

RE: H.B. No. 1270 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1270, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to preserve access to health care for Medicaid recipients by extending the Hospital Sustainability Program (Program). Specifically, this measure:

- Clarifies that "private hospitals" means all currently operating hospitals, except hospitals affiliated with the Hawaii Health Systems Corporation and specified charitable hospitals;
- (2) Increases the cap of the hospital sustainability fee to four percent of a hospital's net patient service revenue, net inpatient hospital service revenue, and net outpatient hospital service revenue;
- (3) Removes the exemption from the hospital sustainability fee for outpatient care services for children's hospitals, rehabilitation and psychiatric hospitals, and other hospitals based on their annual net outpatient revenues;



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- (4) Extends the Program for fiscal biennium 2019-2021; and
- (5) Appropriates an unspecified amount out of the Hospital Sustainability Program Special Fund to the Department of Human Services to expend for authorized purposes under the Program.

The Department of Human Services, The Queen's Health Systems, Kaiser Permanente Hawai'i, Hawai'i Pacific Health, Hawaii Medical Service Association, Healthcare Association of Hawaii, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature

HSCR 912

Record of Votes of the Committee on Finance

Bill/Resolution No.: Com HD270,HD1 Com The committee is reconsidering its previous definition of the committee is reconsidering its previous definition.	ecision on the measure.	FIN Date:	2/21/19	
The recommendation is to: Pass, uname	ended (as is)	ss, with amendments (mmit for future public		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. CULLEN, Ty J.K. (VC)				
3. ELI, Stacelynn K.M.				
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.			· · · · · · · · · · · · · · · · · · ·	
5. HOLT, Daniel				
7. KITAGAWA, Lisa				
3. KOBAYASHI, Bertrand				
P. MATAYOSHI, Scot Z.		-	· · · ·	-
10. NAKAMURA, Nadine K.				
11. NISHIMOTO, Scott Y.				
12. TODD, Chris				~
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				
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TOTAL (15)	14	Ø	Ø	
The recommendation is: Adopted If joint referral	Not Adop I, committee acronym	did not suppor	rt recommendation	on.
Vice Chair's or designee's signature:	mp.K.			
Distribution: Original (White) – Committee	Duplicate (Yellow)	- Chief Clerk's Office	Duplicate ((Pink) – HMSO